



United States
General Accounting Office
Washington, D.C. 20548

Accounting and Information
Management Division

B-271830

May 24, 1996

Mr. David J. Barram
Acting Administrator
General Services Administration

Dear Mr. Barram:

In March 1996, we testified before the Senate Subcommittee on Oversight of Government Management and the District of Columbia, Committee on Governmental Affairs,¹ on ways to improve governmentwide travel management. Specifically, we highlighted several actions that both individual federal agencies and the General Services Administration (GSA) should take to help improve how temporary duty (TDY) travel is arranged, processed, and reimbursed. We are sending this letter to formalize our recommendations to you and to provide further information.

During our testimony, we stated that the federal government has an opportunity to streamline and improve TDY travel management. We noted that several private-sector companies have set themselves apart from other organizations—both public and private—by streamlining and automating their travel processes and adopting a common set of best practices. In doing so, millions in administrative costs have been saved. Their total administrative costs per trip now range from about \$10 to \$20.

We also reported that most federal agencies' efforts to reduce administrative costs and processes lag behind those of leading organizations, although some agencies have begun to close the gap. Many agencies have not determined what their administrative travel costs and processes are, and those that have estimate that their total TDY administrative costs per trip range from about \$37 to \$123. We also noted that there is no reason why all federal agencies cannot achieve results comparable to that of leading organizations, especially given that some federal

¹Governmentwide Travel Management: Federal Agencies Have Opportunities for Streamlining and Improving Their Travel Practices (GAO/T-AIMD-96-60, Mar. 8, 1996).

agencies have already begun to implement similar best practices and reduce costs. Hundreds of millions of dollars in administrative costs could be saved.

We detailed several actions that federal agencies can take to move closer to the performance of leading organizations. First and foremost, agencies need to assess their costs and processes and establish a baseline of current performance, as well as look for areas where they can streamline and consolidate operations. Second, we urged agencies to study and implement the practices and approaches identified by the Joint Financial Management Improvement Program (JFMIP) travel improvement team. Finally, we stated that agencies should constantly be looking for opportunities to obtain and share information--from both internal and external pilot projects.

In addition to these agency-specific actions, we also highlighted several actions that GSA, because of the key role it plays in overseeing federal agencies and managing governmentwide travel policy, should take to improve federal TDY travel management.

At the March 8 hearing, GSA's Associate Administrator, Office of Policy, Planning and Evaluation also outlined a list of actions that GSA is planning to take to improve how TDY travel is arranged and processed in the government. Many of these actions, which were broken into short-, mid-, and long-range time frames, are related to the recommendations we made.

In this regard, we believe our recommendations will provide further insight and direction as GSA looks to improve TDY travel management. Specifically, we recommend that GSA and the Office of Policy, Planning and Evaluation should, at a minimum, focus their efforts in the following three areas:

- Facilitate and coordinate the various travel improvement efforts that are planned or underway by agencies across the government and establish specific time frames for accomplishing travel improvement goals. These improvement efforts may include pilot projects to evaluate different alternatives, benchmarking initiatives to assess and compare current performance, and performance measures to measure progress.
- Assess and revise the federal travel regulations (FTR).
- Establish and support a users group to facilitate the sharing of knowledge and information.

FACILITATE AND COORDINATE TRAVEL IMPROVEMENT EFFORTS

Our first recommendation is that GSA take the lead to facilitate and coordinate the various improvement efforts that are planned or underway within the federal government. As we noted in our testimony, several federal departments and

agencies have already initiated aggressive pilot projects aimed at dramatically improving TDY travel management. In addition, of the 64 executive branch agencies who responded to our survey of travel practices, 50 stated that they planned to implement a revised travel process or that they were planning to revise their processes in the near future.

Coordination of these various efforts will be critical to guard against waste and redundancy and to speed the implementation of those practices shown to make a difference. Such GSA coordination should include establishing travel data standards and assisting in agency benchmarking efforts, both of which would help agencies as they assess and redesign their TDY travel processes.

For instance, travel data standards are important, particularly as agencies look to develop cost estimates of current processes. In this regard, we believe GSA should establish travel cost data standards for both direct and administrative costs. While it may be difficult to establish administrative cost standards, especially given the lack of administrative cost data currently available, doing so will provide agencies with much more specific information from which to work. It will also make cost comparisons between agencies more feasible.

Another critical element as agencies look to improve their processes will be assessing and benchmarking their performance and comparing it to others. The recently enacted Information Technology Management Reform Act states that in situations where comparable processes and organizations exist in the public or private sectors, the agency head should quantitatively benchmark agency process performance against such processes in terms of cost, speed, productivity, and quality of outputs and outcomes.²

In his written statement at the March 8 testimony, the Associate Administrator stated that one of GSA's goals is to benchmark internal agency travel processes and costs against best practices in the private and public sectors. The Associate Administrator noted that GSA has authority under Subsection 5707 (c) of Title 5 to collect travel cost data, and that GSA plans to collect and use these data in benchmarking efforts, as well as in negotiations with travel service providers. The Associate Administrator also stated that to assist agencies in performing internal reviews and benchmarks, a profile of specific agency travel-related attributes will be developed so that reasonable comparisons can be made, and that a standard set of travel data elements will be developed. Finally, the Associate Administrator reported that GSA plans to offer assistance to those agencies that lack resources to internally review travel processes and programs.

²The Information Technology Management Reform Act of 1996 (Public Law 104-106, Feb. 10, 1996) Section 5123(4).

We believe that these actions will go a long way to providing the baseline information that is needed in the federal government. We encourage you to continue aggressively pursuing these goals and to ensure that all federal agencies are looking to assess and benchmark their processes.

We also encourage GSA to continue working to establish milestones for all of the travel improvement activities that are planned and for the accomplishment of significant results in the reduction of travel costs. As we noted at the testimony, while change will not happen overnight, time frames need to be established to help ensure success by measuring how much progress is being made—both in managing travel differently and in reducing its cost—and highlighting areas that need continued oversight attention. These time frames should not only focus on the specific actions that GSA is taking, but also on agencies' actions to implement best practices and improve TDY travel management. Within 1 to 2 years, agencies should begin to show not only improved processes, but also evidence of actual reduced costs. The Associate Administrator stated in his written statement that GSA is envisioning and targeting a December 31, 1996, time frame for accomplishing a substantial portion of its efforts and that individual milestone plans will be developed.

ASSESS AND REVISE THE FTR

Our second recommendation is that GSA should assess and revise the FTR. At the testimony we stated that these revisions should be based, at least in part, on the suggestions of the JFMIP travel improvement team, as well as any lessons that are learned from ongoing pilot projects.

The Associate Administrator stated in his written statement that among GSA's mid-range goals were rewriting the FTR with a minimum of legal jargon, evaluating a proposal to publish two guides (one for TDY and one for relocation) that would simplify at least 90 percent of all TDY and relocation travel processes, and continuing to revise and simplify governing statutes and regulations. In addition, since the testimony, the Office of Policy, Planning and Evaluation, working in conjunction with JFMIP, has produced a legislative package for implementing many of the recommendations made by the JFMIP travel improvement team. The Office has also begun assessing several alternatives for revising the FTR.

We are encouraged by the progress made thus far in this area. The initial actions that have been taken are good first steps toward the greater goal of issuing revised and simplified travel regulations.

ESTABLISH AND SUPPORT A TRAVEL IMPROVEMENT USERS GROUP

Our final recommendation is that GSA should form and support a users group to facilitate the sharing of knowledge and information. We noted at the testimony that such a group, in conjunction with other interested parties, including JFMIP and the Chief Financial Officers (CFO) Council, could go a long way to speeding the successful application of best practices and would guard against redundant actions. Establishing a users group could also help ensure that agencies understand the hazards of acquiring and implementing technology before assessing their current processes.

The Office of Personnel Management's Personnel Automation Council has formed a similar users group to aid in the consolidation and integration of federal personnel/payroll systems. The Executive Secretary of the Council noted that the benefits of this users group have included communicating the need to act like a corporate body and the risks associated with choosing unique, agency-specific technological solutions. The group was also critical in the formation of commonality and standards.

As part of this users group, GSA should look to develop a directory of cross-servicing options and an applications directory. These directories will prove valuable once an agency assesses its current processes. A cross-services directory shows opportunities where one agency may be better suited to provide travel processing services for other agencies. An applications directory would list the various software options that are currently available, and may provide pros and cons of each.

The Associate Administrator in his written statement outlined several goals related to establishing a users group. For instance, the Associate Administrator stated that GSA plans to establish a more active interagency working group to look at travel policy, act as a broker for suggestions on ways to reinvent and simplify travel programs, and electronically publish news on travel reengineering pilot efforts. The Associate Administrator also noted at the testimony that GSA and the CFO community have begun an education program to help educate and increase agencies' awareness of best practices in the government and private sector.

The actions outlined by the Associate Administrator could go a long way to spurring change by having agencies come together to discuss what has and has not worked in order to help speed progress and to avoid replicating problems. As the Associate Administrator stated at the testimony, forums that have already taken place have provided a valuable vehicle for exchanging ideas about progress, near misses, and failures shared by both public and private sector organizations. We urge GSA to continue its efforts to establish a formal users group to discuss agency-specific travel improvement efforts.

- - - - -

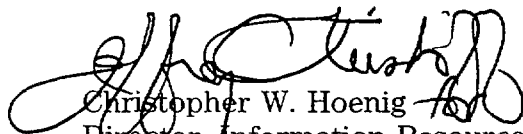
In commenting on a draft of this letter, GSA generally agreed with all of our findings and recommendations. We have incorporated their comments into the letter where appropriate.

This letter contains recommendations to you. As you know, the head of a federal agency is required by 31 U.S.C. 720 to submit a written statement on actions taken on our recommendations to the Senate Committee on Governmental Affairs and the House Committee on Government Reform and Oversight not later than 60 days after the date of this letter. A letter should also be sent to the House and Senate Committees on Appropriations with the agency's first request for appropriations made more than 60 days after the date of this letter.

We conducted the underlying work for this letter from May 1995 through March 1996 in accordance with generally accepted government auditing standards.

We are sending a copy of this letter to the Chairmen and Ranking Minority Members of the Subcommittee on Oversight of Government Management and the District of Columbia, Senate Committee on Governmental Affairs; the Subcommittee on Government Management, Information, and Technology, House Committee on Government Reform and Oversight; Subcommittees on Treasury, Postal Service, and General Government, House and Senate Committees on Appropriations; and the Director of the Office of Management and Budget. We will also send copies to other interested parties upon request. If you or your staff have any questions regarding this information, please contact me at (202) 512-6406 or Edith Pyles, Assistant Director, at (202) 512-9582.

Sincerely yours,



Christopher W. Hoenig
Director, Information Resources Management/
Policies and Issues

(510989)

Ordering Information

The first copy of each GAO report and testimony is free. Additional copies are \$2 each. Orders should be sent to the following address, accompanied by a check or money order made out to the Superintendent of Documents, when necessary. VISA and MasterCard credit cards are accepted, also. Orders for 100 or more copies to be mailed to a single address are discounted 25 percent.

Orders by mail:

**U.S. General Accounting Office
P.O. Box 6015
Gaithersburg, MD 20884-6015**

or visit:

**Room 1100
700 4th St. NW (corner of 4th and G Sts. NW)
U.S. General Accounting Office
Washington, DC**

**Orders may also be placed by calling (202) 512-6000
or by using fax number (301) 258-4066, or TDD (301) 413-0006.**

Each day, GAO issues a list of newly available reports and testimony. To receive facsimile copies of the daily list or any list from the past 30 days, please call (202) 512-6000 using a touchtone phone. A recorded menu will provide information on how to obtain these lists.

For information on how to access GAO reports on the INTERNET, send an e-mail message with "info" in the body to:

info@www.gao.gov

**United States
General Accounting Office
Washington, D.C. 20548-0001**

<p>Bulk Rate Postage & Fees Paid GAO Permit No. G100</p>

**Official Business
Penalty for Private Use \$300**

Address Correction Requested
